COMMITMENT
INTEGRITY
LEADERSHIP

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FACT SHEET

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State Telework Policies

Although In-Office Work Has Benefits, a One-Size-Fits-All Approach to Telework Is Counter to State Policy and May Limit Opportunities for Significant Cost Savings

Background

State law declares that telework can be an important means to reduce air pollution, traffic congestion, and the costs of commuting and that it can stimulate employee productivity and give workers more flexibility and control over their lives. In March 2020, the COVID-19 pandemic resulted in the increased adoption of telework by state agencies. In April 2024 and March 2025, the Governor directed state departments to change their telework policies to require employees to work in the office for a minimum of two and then four days per week. The Joint Legislative Audit Committee (Audit Committee) directed us to evaluate the rationales that informed changes that the Department of General Services (DGS), the Department of Human Resources (CalHR), and other departments made to statewide and department-level telework policies. The Audit Committee further asked us to review the State's costs for maintaining office space for state employees in various telework or hybrid work arrangements.

Key Findings

- The Governor's return-to-office orders could have made better use of important information regarding departments' needs and costs.
  - » The Governor's Office did not gather certain important information, such as departments' office space needs or the associated costs to return employees to the office, before issuing its April 2024 directive and March 2025 executive order for state employees to work in-office an increasing number of days per week.
- Telework can generate significant office cost savings for the State, provided state employees telework three or more days per week.
  - » Under the Governor's April 2024 directive requiring state employees to work in the office two days per week, we estimated that 19 selected departments spent almost $117 million in fiscal year 2024–25 on nearly 3.2 million square feet of office space that was often unused in the seven large state-owned office properties we reviewed.
  - » If state employees telework three or more days per week, DGS has estimated that the State could reduce office space in DGS-managed state-owned and leased buildings by approximately 30 percent, which we estimate could generate cost savings of as much as $225 million annually.
- Some of the departments we reviewed partially evaluated their telework programs to inform their past return-to-office decisions, but they lacked key guidance from DGS to do so.
  - » State law requires departments to evaluate their telework programs against criteria that DGS establishes, although DGS has not provided guidance for how state departments should evaluate their telework programs' performance or their effectiveness in meeting goals enumerated in the statewide telework policy.

Our Key Recommendations

- If the Legislature would like to achieve cost savings for office space, it should amend state law to require departments to identify positions that can successfully telework three or more days per week and offer this level of telework to employees. The Legislature should then require these departments to reduce their overall office space usage, if prudent.
- DGS should develop guidance for departments to follow when evaluating the effectiveness of their telework programs in meeting the goals listed in the statewide telework policy.